

## REMARKS

Applicants respectfully request further examination and reconsideration in view of the above amendments and arguments set forth fully below. Claims 1-12 were previously pending in the present application. Within the Office Action, claims 1-12 have been rejected. By the above amendments, claims 1 and 12 are currently amended and claims 13-18 are newly added. Accordingly, claims 1-18 are currently pending in this application. No new matter is contained within these amendments.

### **Support for the Newly Added Claims**

New claims 13, 14 and 15 are supported by Fig. 5 and claims 16, 17 and 18 are supported by Fig. 4. The main difference between Fig. 5 and Fig. 4 is that in Fig. 5, the "reduced version" is an encrypted full version, so that the server only has to send the key to the client B, as illustrated at 434 in Fig. 5.

Contrary thereto, in the Fig. 4 embodiment covered by claims 16 to 18, the server 102 has to send the full version to the client B, as indicated at 426.

More importantly, claim 13 corresponds to client A 100 in Fig. 5 and has, as the main feature, that client A receives a reward (422) as soon as client B has bought the version, which has been promoted by client A.

Claim 14 corresponds to the actions performed by client B 108 in Fig. 5, where client B has, as important features, that client B not only transmits a request for the key to the server, but also transmits information on the first entity client A to the server, as indicated at 420 in Fig. 5, so that, in the end, the server knows the entity that is to receive the reward. The reward is a key feature of the invention, since it motivates the client A to make sure that client B actually buys the virtual product, so that client A can receive a reward for his success for promotion. Finally, claim 15 is directed to the functionality actually performed by the server 102 in Fig. 5, where we have the key features that the server receives information on the promoter 100 from the buyer 108, forwards the key to the buyer 108 and grants a reward to promoter 100.

Claim 16 is directed to client A in Fig. 4, claim 17 is directed to buyer 108 in Fig. 4 and claim 18 is directed to the operations performed by the server 102 in Fig. 4.

In its first paragraph, claim 16 is based on the same original disclosure as has been set forth in connection with claim 16, which is currently pending.

However, claim 16 now refers to a method of passing on a virtual product from a first buyer to a second buyer. Looking at Fig. 4, claim 16 now relates to the actions of client A, referred to as a first buyer, which are performed by the first buyer both with the server 102 and with the second buyer 108.

By analogy therewith, the second further independent method claim relates to all of the activities of Fig. 4, for example, performed by the second buyer 108 who communicates both with the first buyer and with the server.

The new further independent claim 18 is based on all activities performed by the server, which specifically communicates with the first buyer on the one hand, and communicates with the second buyer on the other hand.

The second paragraph of claim 16 is based on Fig. 4, block 400, and page 21, line 7. The extraction is shown on page 21, line 14.

The third paragraph of claim 16 is based on element 402 in Fig. 4 as well as on page 21, lines 14 to 17.

The fourth paragraph of claim 16 is based on element 408 of Fig. 4, but has two alternatives, namely, on the one hand, the alternative that the personalized copy of the virtual product having reduced quality is received from the server already, this alternative being set forth on page 18, lines 30 to 34 or on page 15, lines 15 to 22. The second alternative in the fourth paragraph of claim 16, wherein the personalized copy is created by the first buyer himself/herself, is based on Fig. 4, elements 408, 410, 412, or on page 21, lines 36 and 37 with regard to receiving (408) the transaction data. Lines 6 and 7 on page 22 clearly disclose that the transaction data uniquely references the first buyer. Creation of the personalized copy on the basis of the transaction data is set forth on page 22, lines 11 and 12, where mention is made of (further information). However,

this further information contains the "data that were received at 408 from the server 102" (page 22, lines 8 and 9), with the data that were received at 408 from the server being the transaction data.

The passing-on of the personalized preview, as is defined in the fifth paragraph of claim 16, is based on element 414 in Fig. 4 or on page 22, lines 14 and 15.

The last paragraph of claim 16 is based on element 422, page 22, lines 26 and 27, as well as on that Fig. 1, element 118 or on page 16, lines 15 and 16.

Claim 17 now contains all of the elements performed by the second buyer 108, referred to as "client B" in Fig. 4. Client B obtains the personalized copy of the virtual product, as is shown at 414 or is represented on page 22, line 15, or is disclosed at 110 in Fig. 1 and on page 15, lines 37 and 37. The remaining elements in the second paragraph of claim 17 are based on the same original disclosure as was set forth in connection with claim 16.

The third paragraph of claim 16 is based on element 416 and page 22, lines 16 to 19.

The fourth paragraph of claim 17 is based on block 418 and page 22, lines 19 and 20.

The sixth paragraph of claim 17 is based on element 420 in Fig. 4 and on page 22, lines 23 to 26. In terms of unique referencing of the first buyer, reference shall be made to page 22, lines 24 and 25, where mention is made of "personalization data". Also, reference shall be made to page 16, lines 6 to 9.

The last step of claim 17 is based on element 426 as well as on page 22, lines 29 to 31.

As was already set forth, claim 18 is based on the activities performed by the server.

The second paragraph is based on page 21, lines 14 to 19. The remainder of the second paragraph with regard to the virtual product to be passed on is based on the corresponding passage of pending claim 16, first paragraph.

The verifying step 404 is based on element 404 of Fig. 4 and on page 21, lines 21 to 24.

The step of creating 406 and transmitting 408 in the fifth paragraph of claim 18 is based on the implementation in Fig. 4, wherein client A, i.e. the first buyer, creates the personalized preview himself/herself. In addition, reference shall be made to this same original disclosure as has been set forth in connection with claim 16, fourth paragraph.

The second alternative in the fifth paragraph on page 9 of the claims is based on the implementation when the personalized copy of the virtual product having reduced quality already comes from the server as is set forth, for example, on page 15, lines 27 to 31.

The sixth paragraph on page 9 of the claims is based on the feedback of the second buyer to the server in the form of step 420 and page 22, lines 23 to 26.

The seventh paragraph on page 9 of the claims is based on element 422 and on page 22, line 26. The fact that the reward will only be granted once a purchase has been made may also be seen, for example, from page 17, lines 21 to 26.

The last step of transmitting 426 of the server claim 18 is based on Fig. 4, element 426 and on page 22, lines 29 to 31.

All of claims 13 to 15 contain the feature that the copy of the virtual product having reduced quality contains all the information required for becoming a full-value product, the full-value product being achievable by a key only. This amendment is based on page 11, lines 12 to 17.

What has also been amended in claim 14 is that the key is obtained from the server, this amendment being based on Fig. 5 and page 24, line 33, to page 25, line 3. The last step of claim 14, too, is based on Fig. 5, on page 24, line 33, to page 25, line 3, and on page 11, lines 15 to 17.

The last paragraph of claim 15, too, is based on Figure 5, element 434 and on page 24, lines 37 and 38.

### **Claim Rejections under 35 U.S.C. § 103**

Within the Office Action claims 1-8 and 10-12 were rejected under 35 U.S.C. § 103 for being unpatentable over United States Patent Publication No.: 2005/0069129 to Ho et al., hereinafter referred to as "Ho", in view of United States Patent Publication No.: 2003/0078889 to Lee et al., hereinafter referred to as "Lee". The Applicants respectfully traverse this rejection because the Applicants' claimed invention includes limitations not present in Ho or Lee.

The key issues of the present invention are that the promoter promotes the virtual product and, therefore, has to associate information relating to the promoter/distributor as defined in pending claim 1, lines 13 to 15. When the buyer (a third party) of claim 1 buys the virtual product from the promoter, then the additional information is created. Importantly, the additional information is created on the basis of the information associated with the reduced version, i.e. on the information relating to the distributor, so that the additional information indicates not only the third party, i.e. the buyer of the virtual product, but also the promoter of the virtual product and that a passing-on of the product has taken place. Due to the fact that this additional information specifically naming the promoter is generated, the reward for the promoter can be sent to the right promoter. In other words, the additional information as defined in claim 1, lines 17 to 22 not only names the buyer of the product, but also the promoter of the product, so that, in the end, the promoter of the product can be located by the server, so that the server can grant a reward to the right person.

Importantly, as outlined in the last paragraph of page 10 and the first paragraph of page 11, the chance of giving a reward to the right person is the

key feature for the functionality of the whole distribution process. If a promoter is unsure about his reward, then he has no motivation to promote anything. Therefore, in order to locate the right promoter when the promotion is successful, the additional information as defined in the last paragraph of claim 1 is generated which, as the main feature, has to indicate that the reduced version of the virtual product has been passed on to the third party by the distributor if the third party has acquired rights to the virtual product after obtaining the reduced version of the virtual product. Based on this additional information, the server can then send a reward to the right person, i.e. to the "distributor" as defined in claim 1.

For the reasons stated below, it will become clear that the prior art references on file do not render obvious the subject matter of the present invention as defined in claim 1. This discussion will also make clear that the present invention as defined in the new independent claims is also not anticipated or rendered obvious by the cited references.

Ho discloses a method of protecting the copyright of digital video work. As outlined in paragraph [0012], a "reduced version" of video work exists, such as gray scale video and a user "must request or buy a specific player and the password" from the distributor of such video work to play the complete information in order to prevent piracy.

As correctly outlined by the Examiner, Ho only discloses that this "video work" exists, which results in a gray scale image when rendered by a non-authorized player. However, Ho does not disclose the following features:

"providing . . . information relating to a distributor of the virtual product, . . ., and the information relating to the distributor being associated with the reduced version of the virtual product."

This fact is already acknowledged by the Examiner on page 3, fifth line of the first paragraph.

Furthermore, Ho does not disclose the following feature of claim 1:

"wherein, on the basis of the information associated with the reduced version, additional information, which indicates that the reduced version of the virtual product has been passed onto a third party by the distributor is created if the third party has acquired the rights to the virtual product after obtaining the reduced version of the virtual product."

As a matter of interest, the Examiner does not comment on this limitation.

According to Ho, when a user requests a specific player and the password, he gets in contact to the distributor, pays an amount and then receives the password and the specific player. This action, however, does not involve the creation of additional information indicating that the reduced version of the virtual product has been passed on to a third party by the distributor. Ho neither discloses a third party nor that "on the basis of the information" as defined in the second paragraph of claim 1 a creation of the additional information takes place. This is not surprising, since the Examiner already concedes that the "information associated with the reduced version" is not disclosed in Ho at all.

Furthermore, any information indicating the distributor of the video work of Ho is not interesting at all. Instead, what is interesting in Ho is that the buyer pays the price to the distributor and receives the password and the specific player from the distributor. Finally, the limitation that the creation of the additional information takes place "after obtaining the reduced version of the virtual product" does not occur at all in Ho.

Therefore, Ho does not disclose the features relating to the associated information as defined in the second paragraph of claim 1 (as already acknowledged by the Examiner) and does also not disclose the features in the last paragraph of claim 1.

Likewise, Lee does not disclose the features in the second paragraph of claim 1. The idea behind Lee is that as many as possible encrypted files are distributed over any file-sharing locations as possible, so that when a user uses many different file-sharing locations, then the possibility is high that from at least one file-sharing location, encrypted content is obtained by the user, so that the user then addresses the right holder to obtain the key for decrypting this encrypted content in response to a certain payment. In some file-sharing applications, such as Napster, individuals who are eager to not provide their identity, distribute the files. This is due to the fact that one might say that users providing their digital files into such public file-sharing locations might already be committing a crime. Therefore, the users providing their files to the file-sharing locations will definitely try to avoid any personal information associated with a digital file. Therefore, the Examiner's argument regarding his assertion that file-sharing services contain their own media player is unclear. This is not disclosed in Lee and does also not make any sense regarding the limitation in the second paragraph of claim 1 that information relating to the distributor is associated with the virtual product having the reduced quality.

Consequently, the Examiner's interpretation of Lee is not correct.

Regarding the features in the last paragraph of claim 1, Lee does not disclose any information and in this document, creating the additional information would not make any sense, since the distributor of the virtual product in Lee and that a passing on from the distributor to the third party has taken place is not at all an issue in the context of Lee. Instead, the intention of Lee is that a user, by



chance, obtains encrypted content and then addresses the record company in order to obtain the key for decryption in reply to the payment of a certain price.

Any of the specific features in the last paragraph of claim 1, i.e. the feature of "on the basis . . . , has been passed onto a third party by the distributor" and ". . . if the third party has acquired rights to the virtual product after obtaining the reduced version of the virtual product" are not at all an issue in Lee.

For at least these reasons, claims 1-18 are not anticipated by a hypothetical combination of Ho and Lee. Therefore, claims 1-18 are allowable over Ho and Lee and a prompt issuance of a Notice of Allowance would be greatly appreciated.

### CONCLUSION

The Applicants respectfully request examination in view of the amendments above and remarks above. Should the Examiner deem it helpful he is encouraged to contact Applicant's attorney, Michael Glenn, at (650) 474-8400.

Respectfully submitted,



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